

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HJR 58

March 15, 2011

SUMMARY OF BILL: Encourages and advocates the expanded use of telemedicine. Defines “telemedicine” as using telecommunications technology to deliver health care, including: any medical encounter that can be accommodated via telemedicine when it improves access to care and improves patient and provider access; improves medical care to a region that is underserved through collaboration between providers and payers; medical providers should be reimbursed for the telemedicine services in comparable ways as when those services are provided in person; any clinical service that can be delivered appropriately by telemedicine should be considered a legitimate provision of care under global payment methodologies; a patient informed consent document should be used; a patient should have the right to choose either telemedicine or in-person services when both are available; and telemedicine should be considered as a tool to bring health care specialist consultation into primary care facilities.

ESTIMATED FISCAL IMPACT:

NOT SIGNIFICANT

Assumptions:

- The fiscal impact assumes that the action urged by this resolution will be implemented and reflects the cost of implementation.
- According to the Department of Health, the Board of Medical Examiners and the Board of Osteopathic Examination have both promulgated rules relative to the practice of telemedicine and the process in obtaining a license to engage in telemedicine as provided under current law.
- Both boards would need to amend current rules. Any necessary rulemaking would be handled during regularly scheduled meetings and will not result in a significant increase in expenditures.
- Pursuant to Tenn. Code Ann. § 4-3-1011, all health-related boards are required to be self-supporting over a two-year period. As of June 30, 2010, the Board of Medical Examiners had a cumulative balance of \$890,444.43 and the Board of Osteopathic Examination had a cumulative balance of \$95,105.43.
- According to the Bureau of TennCare, the implementation of telemedicine will not change the capitation fee because any increased costs for the infrastructure necessary to provide telemedicine will be offset by a resulting savings.
- It is assumed that the state sponsored health plans and the Cover Tennessee programs would see a similar increase in expenditures with offsetting savings.

- The net fiscal impact to TennCare, the state sponsored health plans, and the Cover Tennessee program would not be significant.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director

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